HIGHER EDUCATION STUDY - BACKGROUND MEMORANDUM

STUDY RESPONSIBILITIES

The Legislative Management has assigned the following studies to the 2015-16 interim Higher Education Committee:

1. Section 45 of 2015 House Bill No. 1003 provides for a study of the delivery methods of higher education courses offered by institutions under the control of the State Board of Higher Education. The study must include a review of current methods of distance education offered by institutions, options to improve delivery methods, revenue generated by each type of delivery method, and how course delivery methods may affect future campus infrastructure needs and must include a study of the components of the higher education funding formula established in North Dakota Century Code Chapter 15-18.2, including the uses of funding provided through each of the components for costs-to-continue, salary adjustments, and other inflationary adjustments and tuition waivers.
2. Section 46 of 2015 House Bill No. 1003 provides for a study of the missions of all two-year institutions and the missions of any other institutions under the control of the State Board of Higher Education, as determined by the Legislative Management, including the feasibility and desirability of the institutions offering only workforce and career and technical education programs. The study must review the current missions of the institutions, current and projected course and program enrollments, projected workforce needs, including how the institutions can serve the needs, and options to increase operating efficiencies.
3. Section 47 of 2015 House Bill No. 1003 provides for a study of administrative costs at institutions under the control of the State Board of Higher Education. The study must include a review of the number of administrator positions at each institution, the number of new administrator positions added at each institution during the previous five academic years, the total salaries and benefits associated with the administrator positions, the average salaries and benefits for administrator positions at each institution for each of the previous five fiscal years, the percentage of overall institution operating costs attributable to administration, and options to provide future increased legislative appropriations to institutions specifically for instructional purposes.
4. House Concurrent Resolution No. 3046 (2015) provides for a study of public higher education in North Dakota for the purpose of developing and implementing a governance model that articulates: the role and function of the State Board of Higher Education and that of its Chairman and other members, including the board's objectives and the monitoring responsibilities necessary to ensure that its objectives are achieved; the role and function of the Commissioner of Higher Education, including the Commissioner's relationship with the board, the Commissioner's responsibility for implementing the board's objectives, and for meeting the board's expectations regarding organizational performance; and the role and function of each institution's president, including the authority and responsibility to supervise and direct the efficient operation of the institution, to execute all directives from the Commissioner of Higher Education, and to report directly to the Commissioner regarding the operation and management of the institution, and the execution of the directives.

A copy of Sections 45, 46, and 47 of House Bill No. 1003 (Appendix A) and House Concurrent Resolution No. 3046 (Appendix B) are attached.

BACKGROUND

The North Dakota University System consists of 11 higher education institutions under the control of the State Board of Higher Education. Of the 11 institutions, two are doctoral-granting institutions, two are master's-granting institutions, two are universities that offer baccalaureate degrees, and five are colleges that offer associate and technical degrees. Each institution is unique in its mission to serve the people of North Dakota.

Legislative appropriations for the 2015-17 biennium for higher education institutions and the University System office total $961,584,277, of which $896,574,867 is from the general fund. The following is a history of legislative appropriations for higher education since the 1997-99 biennium:

Biennium	General Fund	Special Funds	Total
1997-99	$306,825,098	$323,595,863	$630,420,961
1999-2001	$334,449,287	$713,538,799	$1,047,988,086
2001-03	$366,953,836	$80,367,201	$447,321,037
2003-05	$364,029,938	$110,546,775	$474,576,713
2005-07	$387,157,893	$178,552,108	$565,710,001
2007-09	$472,036,237	$165,419,701	$637,455,938
2009-11	$593,355,047	$202,764,364	$796,119,411

Biennium	General Fund	Special Funds	Total
2011-13	$657,838,539	$108,817,759	$766,656,298
2013-15	$910,632,494	$177,980,941	$1,088,613,435
2015-17	$896,574,867	$65,009,410	$961,584,277

NOTE: The special funds amounts for the 1997-99 biennium reflect the appropriation of tuition income and the 1999-2001 biennium reflect the appropriation of tuition and local funds.

The following is a summary of ongoing and one-time general fund appropriations for the University System since the 2007-09 biennium:

	General Fund Appropriations		
Biennium	Ongoing Appropriations	One-Time Appropriations	Total
2007-09	$443,654,169	$28,382,068	$472,036,237
2009-11	$534,062,895	$59,292,152	$593,355,047
2011-13	$606,525,437	$51,313,102	$657,838,539
2013-15	$679,271,846	$231,360,648	$910,632,494
2015-17	$737,027,599	$159,547,268	$896,574,867

The University System reported a total degree credit headcount enrollment of 47,660 students and a total degree credit full-time equivalent (FTE) enrollment of 38,174 students in the fall 2014 enrollment report. The following is a summary of University System degree credit headcount and FTE fall enrollments for 2005 through 2014:

Fall Headcount Enrollment[1]										
Institution	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bismarck State College	3,370	3,477	3,591	3,788	4,020	4,177	4,392	4,109	4,062	4,002
Dickinson State University	2,516	2,572	2,670	2,730	2,767	2,485	2,346	1,837	1,449	1,479
Lake Region State College	1,471	1,508	1,520	1,657	1,702	1,913	2,056	1,974	1,898	1,988
Mayville State University	912	832	769	789	887	982	970	1,020	1,065	1,081
Minot State University	3,798	3,712	3,424	3,432	3,649	3,866	3,657	3,560	3,533	3,410
Dakota College at Bottineau	523	605	637	655	748	863	812	774	793	753
North Dakota State College of Science	2,457	2,490	2,417	2,545	2,651	2,833	3,127	3,066	3,168	3,033
North Dakota State University	12,099	12,258	12,527	13,229	14,189	14,407	14,399	14,443	14,629	14,747
University of North Dakota	12,954	12,834	12,559	12,748	13,172	14,194	14,697	15,250	15,143	14,906
Valley City State University	1,035	1,037	982	1,019	1,083	1,285	1,384	1,362	1,366	1,378
Williston State College	947	912	731	850	949	932	993	808	909	883
Total	42,082	42,237	41,827	43,442	45,817	47,937	48,833	48,203	48,015	47,660

[1]Headcount enrollment includes all students enrolled at an institution regardless of the number of credit-hours the student is enrolled in.

Fall Full-Time Equivalent Enrollment[1]										
Institution	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Bismarck State College	2,602	2,651	2,792	2,937	3,160	3,208	3,209	2,990	2,955	2,909
Dickinson State University	2,031	2,059	2,158	2,294	2,187	2,054	1,959	1,454	1,201	1,176
Lake Region State College	738	750	764	784	868	921	988	973	943	978
Mayville State University	722	652	586	563	662	704	704	759	749	798
Minot State University	3,063	2,928	2,730	2,720	2,832	3,002	2,795	2,731	2,710	2,600
Dakota College at Bottineau	386	399	402	440	490	540	524	474	502	518
North Dakota State College of Science	2,223	2,171	2,097	2,041	2,076	2,217	2,366	2,354	2,295	2,272
North Dakota State University	10,752	10,890	11,221	11,794	12,577	12,708	12,606	12,707	12,797	12,934
University of North Dakota	11,531	11,381	10,967	11,137	11,306	12,018	12,319	12,729	12,606	12,420
Valley City State University	899	844	807	824	833	957	1,011	995	975	990
Williston State College	702	648	551	562	573	570	608	537	593	579
Total	35,649	35,373	35,075	36,096	37,564	38,899	39,089	38,703	38,326	38,174

[1]In order to be more consistent with common practice in enrollment reporting, the State Board of Higher Education changed the definition of undergraduate FTE to 15 credit-hours from 16 credit-hours in August 2006. In order to provide a consistent basis for comparing 2006 enrollments to prior years, the prior year FTE enrollments have been recalculated based on the new definition. The FTE enrollment of an institution is calculated by dividing undergraduate student credit-hours by 15 and by dividing graduate student credit-hours by 12. Full-time professional students are counted as one FTE enrollment.

PREVIOUS AND CURRENT HIGHER EDUCATION FUNDING METHODS

Long-Term Financing Plan and Resource Allocation Model (2001-03 Biennium Through 2011-13 Biennium)

The 1999-2000 Higher Education Roundtable recommended the State Board of Higher Education and the Chancellor develop a long-term financing plan and resource allocation model. As a result, the board contracted with the National Center for Higher Education Management Systems for assistance with the development of the plan and model. The board reviewed the recommendations of the National Center for Higher Education Management Systems and adopted a long-term financing plan consisting of base operating funding, incentive funding, and capital asset funding components. The following is a description of the long-term financing plan and resource allocation model that was used prior to the 2013-15 biennium appropriation.

Base operating funding component - The base operating funding component of the long-term financing plan provided funding to each higher education institution to support core campus functions, such as instruction, research, and public service. The funding for each institution was based on the institution's current state general fund appropriation with general fund appropriation increases to address parity and equity. Parity funding was to be used to continue current programs and services, including salaries, benefits, and inflationary increases. Equity funding was to be distributed to institutions based on a funding comparison to peer institutions.

Incentive funding component - The incentive funding component of the long-term financing plan included funding for the State Board of Higher Education to support state and system priorities consistent with the goals of the Higher Education Roundtable.

Capital asset funding component - The capital asset funding component of the long-term financing plan provided funding to each of the higher education institutions for maintenance and replacement of facilities and infrastructure. The funding provided to each of the institutions was left to the discretion of the institution with appropriate approvals by the State Board of Higher Education for projects greater than $250,000. Institutions were given the authority to allocate funds for repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by the institution. Institutions were allowed to continue unspent capital asset funding from one biennium to the next in order to complete the projects started in one biennium but not completed until the next and to accumulate funds to complete large projects that require multiyear funding. The capital asset funding component was applied to new state buildings built on campuses; however, no new operating funds were added to the base operating budget for operating costs if the operating base was already at the benchmark target.

Adjusted Student Credit-Hour Funding Method (2013-15 and 2015-17 Bienniums)

The Legislative Assembly, through 2013 Senate Bill No. 2200, adopted a new higher education funding method beginning with the 2013-15 biennium based on an adjusted student credit-hour calculation. The calculation involves multiplying a base amount per student credit-hour by an adjusted student credit-hour calculation for each institution. The resulting equalized base budget is then adjusted for inflation to determine total funding for an institution.

The adjusted student credit-hour amount for an institution is determined as follows:

1. Completed student credit-hours are determined for each institution. A completed credit-hour is one for which a student met all institutional requirements and obtained a passing grade.
2. A weighted completed student credit-hour calculation is determined by multiplying each institution's completed student credit-hours by an instructional program classification factor. The factor amount for each program classification is based upon historical costs of instruction in each program.
3. The weighted completed student credit-hour amount for each institution is then adjusted for:
   a. A credit completion factor which is based on total credits completed at an institution. Institutions that have a lower credit-hour output receive a greater weighting factor.
   b. An institutional size factor based on the square footage of facilities at an institution. Institutions that have a large amount of infrastructure may receive an additional factor adjustment.

The adjusted student credit-hours are then multiplied by a base per credit amount which varies based on institution type. The following is a summary of the base rates for each institution:

Institutions	Biennial Base Rate Per Credit-Hour	
	2013-15	2015-17
North Dakota State University, University of North Dakota	$66.35	$72.63
Dickinson State University, Mayville State University, Valley City State University	$95.57	$107.33
Minot State University	$98.75	$107.33
Bismarck State College, Dakota College at Bottineau, Lake Region State College, North Dakota State College of Science	$101.73	$114.88
Williston State College	$104.88	$114.88

Through June 30, 2017, an institution may not receive less than 96 percent of the state funding to which the institution was entitled during the previous fiscal year. Under the adjusted student credit-hour funding method funding for major capital projects is appropriated separately from the formula.

HIGHER EDUCATION ADMINISTRATIVE COSTS

There are several definitions that can be used to identify higher education institution administrative costs which also may be referred to as "institutional support." The Integrated Postsecondary Data System (IPEDS) defines "institutional support" as:

> "A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development. Also includes information technology expenses related to institutional support activities. If an institution does not separately budget and expense information technology resources, the IT costs associated with student services and operation and maintenance of plant will also be applied to this function."

The definition for administrative staff positions also varies based by reporting type. In previous IPEDS surveys, administrative staff positions were categorized as follows:

- Executive, administrative, and managerial - Occupational positions directly related to management policies or general operations of the institution. Examples include presidents, vice presidents, managers, provosts, and deans whose principal occupational activity is administration rather than instruction.
- Professional - Occupational positions providing services and support, such as accountants, human resources professionals, and attorneys.

HIGHER EDUCATION DELIVERY METHODS

Higher education institutions offer course delivery through several different methods. The following is a summary of various delivery methods:

Delivery Method	Description
Face-to-face on campus	A traditional classroom environment where both the instructor and students are physically located in the same classroom.
Face-to-face off campus	Both the instructor and students are physically located in the same classroom in an off-campus facility.
Correspondence	Instruction is provided through mail, email, or fax.
One-way video	A video connection that allows for the faculty member to be heard and seen by students.
Two-way video	A video and audio connection among two or more sites that allows for communication between faculty members and students.
Synchronous Internet	Online classes that require faculty members and students to be online at the same time for interactive learning.
Asynchronous Internet	Online classes in which faculty members and students are not required to be online at the same time. Faculty members provide learning materials and assignments that may be completed by a student anytime during a specified time period.
Hybrid/blended	Classes in which multiple delivery methods are utilized.

During the Fall 2014 semester, the total degree credit headcount enrollment of the University System was 47,660 students. Of the total enrollment, 35,594, or 74.7 percent of students, were enrolled in at least one traditional classroom course while 12,066, or 25.3 percent of students, did not have an on-campus presence. The following schedule details the number of students at each institution that had an on-campus presence.

	Students With an On-Campus Presence		Students Without an On-Campus Presence	
Bismarck State College	2,304	57.6%	1,698	42.4%
Dakota College at Bottineau	443	58.8%	310	41.2%
Lake Region State College	440	22.1%	1,548	77.9%
North Dakota State College of Science	1,609	53.0%	1,424	47.0%
Williston State College	470	53.2%	413	46.8%
Dickinson State University	1,155	78.1%	324	21.9%
Mayville State University	626	57.9%	455	42.1%
Minot State University	2,298	67.4%	1,112	32.6%
Valley City State University	808	58.6%	570	41.4%
North Dakota State University	13,708	93.0%	1,039	7.0%
University of North Dakota	11,733	78.7%	3,173	21.3%
Total	35,594	74.7%	12,066	25.3%

Electronic Course Enrollment

During the Fall 2014 semester, 17,083 students enrolled in at least one degree-credit course with an electronic delivery method. The following table summarizes the enrollment in each type of distance delivery method.

Enrollment in Courses With Electronic Delivery Methods (Fall 2014)					
	Interactive Video	Synchronous Internet	Asynchronous Internet	Hybrid	Total
Bismarck State College	127	23	1,873		2,023
Dakota College at Bottineau	145		173		318
Lake Region State College	75		537		612
North Dakota State College of Science	112		666	41	819
Williston State College	90		446		536
Dickinson State University	72		487		559
Mayville State University	139	12	418		569
Minot State University	41	46	1,068		1,155
Valley City State University	108		816	9	933
North Dakota State University	26	52	3,829	1,581	5,488
University of North Dakota	44	759	4,087		4,890
Total	979	892	14,400	1,631	17,902[1]

[1]Duplicated total in which students taking courses through multiple delivery methods are counted more than once.

INSTITUTION MISSIONS

The constitution provides for the State Board of Higher Education to control and administer certain higher education institutions in the state. The following is a summary of the references for each University System institution as found in Article VIII, Section 6, of the Constitution of North Dakota:

Institution	Constitutional Reference
University of North Dakota	"The state university and school of mines, at Grand Forks, with their substations."
North Dakota State University	"The state agricultural college and experiment station, at Fargo, with their substations."
North Dakota State College of Science	"The school of science, at Wahpeton."
Dickinson State University, Mayville State University, Minot State University, and Valley City State University	"The state normal schools and teachers colleges, at Valley City, Mayville, Minot, and Dickinson."
Dakota College at Bottineau	"The school of forestry, at Bottineau."
Bismarck State College, Lake Region State College, Williston State College	There are no specific references in the constitution to these institutions. The constitution provides for the State Board of Higher Education to control and administer "other state institutions of higher education as may hereafter be established."

State Board of Higher Education policy 100.7 provides for the State Board of Higher Education to approve institution missions and roles and any changes to institution missions and roles. The following schedule provides information regarding the mission statement of each institution:

Institution	Mission Statement
Bismarck State College	Bismarck State College, an innovative community college, offers high quality education, workforce training, and enrichment programs reaching local and global communities.

Institution	Mission Statement
Dakota College at Bottineau	Dakota College at Bottineau provides students with a quality education in a caring environment. The institution values diversity and personal enrichment by promoting engaged learning for employment and university transfer. With the help of a supportive community, Dakota College at Bottineau emphasizes nature and technology to accomplish its mission through an array of curricula, programs, and services
Dickinson State University	To provide high-quality accessible programs, promote excellence in teaching and learning, support scholarly and creative activities, and to provide services relevant to the economy, health and quality of life for North Dakota citizens.
Lake Region State College	We enhance lives and community vitality through quality education.
Mayville State University	The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education and dynamic learning relationships with community, employers and society.
Minot State University	Minot State University is a regional, public institution located in the northwest region of North Dakota. Committed to high academic standards and professional support for students, the university is dedicated to student success, engaged and life-long learning, advancement of knowledge, effective student service and development of students of character. These commitments are grounded in effective and motivated teaching and learning, scholarship and service. The university values critical and creative thinking, vitality of communities and cultures, stewardship of place and the multicultural and global environment. The university honors and supports the dignity and rights of diverse individuals, freedom of expression, academic freedom, ethical and moral behavior, integrity, fairness and honesty.
North Dakota State University	With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.
North Dakota State College of Science	The North Dakota State College of Science is a comprehensive, associate degree-granting college founded on a tradition of quality and integrity. We deliver learner-focused education through a unique and evolving collegiate experience. Using innovative delivery strategies, NDSCS anticipates and responds to statewide and regional workforce needs by providing access to occupational/technical programs, transfer programs, and workforce training.
University of North Dakota	A national research university that engages in the creation of new knowledge and which fosters scholarship and creative activity, the University of North Dakota maintains its original mission in liberal arts, business, education, law, medicine, engineering and mines; and has also developed special missions in nursing, fine arts, aerospace, energy, and international studies. UND provides a wide range of challenging academic programs for undergraduate, professional and graduate students through the doctoral level. The University encourages students to make informed choices, to communicate effectively, to be intellectually curious and creative, to commit themselves to lifelong learning and the service of others, and to share responsibility both for their own communities and the world.
Valley City State University	Valley City State University is a public, regional university offering exceptional programs in an active, learner-centered community that promotes meaningful scholarship, ethical service, and the skilled use of technology. As an important knowledge resource, the University offers programs and outreach that enrich the quality of life in North Dakota and beyond. Through flexible, accessible, and innovative baccalaureate and master's programs, VCSU prepares students to succeed as educators, leaders, and engaged citizens in an increasingly complex and diverse society.
Williston State College	Williston State College, "Where the People Make the Difference", is an open admission learned-center, comprehensive community college of the North Dakota University System providing academic transfer and occupational education, workforce training, and cultural activities to residents of North Dakota, the Upper Plains, and beyond. Williston State is committed to providing educational opportunities that are accessible, affordable, life changing, and life-long.

Degrees Offered

The following is summary of degrees offered at each institution:

Institution	Degrees Offered
Bismarck State College	Certificates, diplomas, associate's degrees, bachelor's degrees (limited)
Dakota College at Bottineau	Certificates, diplomas, associate's degrees
Dickinson State University	Certificates (limited), associate's degrees (limited), bachelor's degrees
Lake Region State College	Certificates, diplomas, associate's degrees

Institution	Degrees Offered
Mayville State University	Associate's degrees (limited), bachelor's degrees
Minot State University	Associate's degrees (limited), bachelor's degrees, master's degrees
North Dakota State University	Bachelor's degrees, master's degrees, doctoral degrees
North Dakota State College of Science	Certificates, diplomas, associate's degrees
University of North Dakota	Bachelor's degrees, master's degrees, doctoral degrees
Valley City State University	Bachelor's degrees, master's degrees (limited)
Williston State College	Certificates, diplomas, associate's degrees

TrainND

In addition to offering degree programs, the TrainND program offers workforce training at certain institutions. The TrainND program is divided into the following four regions to serve local business and industry:

TrainND Region	Location
Northwest	Williston State College
Northeast	Lake Region State College
Southeast	North Dakota State College of Science
Southwest	Bismarck State College

UNIVERSITY SYSTEM GOVERNANCE

History of Higher Education Governance in the State

Constitution of North Dakota 1889

When the Constitution of North Dakota was adopted on October 1, 1889, it required that certain institutions be permanently located "at the places hereinafter named." The institutions identified included the State University and School of Mines at the city of Grand Forks; the Agricultural College at the city of Fargo; a State Normal School at the city of Valley City; a State Normal School at the city of Mayville; an Industrial School and School for Manual Training, or such other educational or charitable institution as the Legislative Assembly may provide, at the town of Ellendale; a School of Forestry, or such other institution as the Legislative Assembly may determine, at such place in one of the counties of McHenry, Ward, Bottineau, or Rolette, as the electors of said counties may determine by an election for that purpose, to be held as provided by the Legislative Assembly; and a Scientific School, or such other educational or charitable institution as the Legislative Assembly may prescribe, at the city of Wahpeton.

The 1889 constitution also provided that "no other institution of a character similar to any one of those located by this article shall be established or maintained without a revision of this constitution." The Political Code addressed the governance structures for the University of North Dakota, the Normal schools at Valley City and Mayville, the North Dakota Academy of Science at Wahpeton, the Agricultural College at Fargo, and the Industrial School at Ellendale. The governance structure for the School of Forestry at Bottineau was enacted in 1897. Each institution had its own governing board, which was charged with, among other things, budget preparation.

A constitutional amendment to add a state normal school at the city of Minot was passed in 1910, and a constitutional amendment to add a state normal school at the city of Dickinson was passed in 1916. Bismarck Junior College, Lake Region Community College, and the University of North Dakota - Williston center came under the jurisdiction of the State Board of Higher Education on July 1, 1984, in accordance with 1983 Senate Bill No. 2073.

State Board of Education

The Legislative Assembly's effort to consolidate educational governance began in 1913, with the enactment of Senate Bill No. 236, which created the State Board of Education. It consisted of the President of the University of North Dakota, the president of the Agricultural College, the State Superintendent of Public Instruction, the State Inspector of Graded and Rural Schools, the State High School Inspector, and a state normal school president, an industrial school president, a county superintendent, and a male citizen who is not connected with the educational system, all appointed by the Governor. The role of this body was to administer a teacher certification program and to secure uniformity and best results among the schools receiving state aid as rural, graded, or consolidated schools. The State Board of Education was also placed in charge of classifying schools and apportioning state aid.

State Board of Regents

In 1915, the Legislative Assembly enacted House Bill No. 361, which created the State Board of Regents. This five-member board was created for the general control and administration of the State University and School

of Mines at Grand Forks; the State Agricultural College and Experiment Station at Fargo; the School of Science at Wahpeton; the State Normal Schools at Valley City, Mayville, and Minot; the Normal and Industrial School at Ellendale; the School of Forestry at Bottineau; and such other state educational institutions as may be established.

Each of the members of the State Board of Regents was to be a qualified elector and taxpayer of the state and was to be appointed for their fitness and ability to efficiently serve the people of the state. Not more than one member could be appointed from any one county, and not more than one alumnus from a particular institution could serve at the same time. Upon nomination by the Governor, each nominee had to be confirmed by the Senate and could be removed for incompetency, neglect of duty, immorality, malfeasance in office, or other good cause.

The State Board of Regents was to assume all the powers and perform all the duties of the existing institutional boards and it was to make all necessary rules and regulations for its own official procedure and for the efficient management and control of the educational institutions and of their various departments. It was also directed to engage a competent expert from outside the state to survey the various institutions for the purpose of ascertaining their efficiencies and economies. Thereafter, the board was to appoint a commissioner of education from outside the state. This individual was to be a graduate of a reputable college or university, was to have made a special study of educational problems, and was to have had at least three years' experience in educational administration.

In addition, the State Board of Regents was directed to coordinate and correlate the work in the different institutions so as to prevent wasteful duplication, to develop cooperation among the institutions in the exchange of instructors and students, and to fix tuition if not otherwise provided by law. Its other listed duties were recommending necessary legislation and preparing a budget for the institutions. The legislation specifically states that the State Board of Regents must submit with its budgets all plans for betterments and improvements or buildings costing more than $5,000, which for a point of comparison was also the maximum annual salary of the commissioner of education. The legislation specifically states that in "no event shall the board direct or permit an expenditure for any purpose in excess of the amount appropriated by law, or contemplated by the statute. . . ."

Board of Administration

In 1919 Senate Bill No. 134, the functions of the State Board of Education and the State Board of Regents were transferred to a new entity known as the Board of Administration. This board was made responsible for the general supervision and administration of all "Penal, Charitable and Educational Institutions of the State, and the general supervision of the public and common schools of the State." The statute provides that the "presidents or heads of the several State institutions and [the] Superintendent of Public Instruction shall be responsible to the Board." The board consisted of:

1. The State Superintendent of Public Instruction (ex officio);
2. The Commissioner of Agriculture and Labor (ex officio); and
3. Three individuals appointed by the Governor.

The term of office was for six years, and the Governor was given the authority to remove any appointed member for cause.

The Board of Administration assumed all the power and duties of the State Board of Regents, as well as that of the State Board of Education and the State Board of Control. With respect to higher education, the State Board of Regents was authorized to make all necessary rules and regulations for the general administration, supervision, and management of the various educational institutions.

The legislation that created the Board of Administration was referred to the voters at a special election on June 26, 1919. The legislation was supported by a vote of 59,749 to 51,894.

State Board of Higher Education

On June 28, 1938, the people of North Dakota, by a vote of 93,156 to 71,448, approved an initiated measure to create a State Board of Higher Education. The measure became Article 54 of the Constitution of North Dakota. The following table highlights the principal provisions of Article 54 and changes to those provisions as currently contained in Article VIII, Section 6, of the Constitution of North Dakota.

Original Article 54 of the Constitution of North Dakota	Current Article VIII, Section 6, of the Constitution of North Dakota
State Board of Higher Education is created for the "control and administration" of the listed institutions.	No change
Seven members appointed by Governor • Must be qualified electors and taxpayers • Must have resided in the state for at least five years	No change
	Governor shall appoint as the 8th member a full-time resident student at an institution under the board's control (1994).
Governor shall select appointee from a list of three names unanimously agreed to by: • The President of the North Dakota Education Association • The Chief Justice of the Supreme Court • The Superintendent of Public Instruction	Governor shall select appointee from a list of three names agreed to by four of the following five: • The President of the North Dakota Education Association • The Chief Justice of the Supreme Court • The Superintendent of Public Instruction • President Pro Tempore of the Senate (1996) • Speaker of the House of Representatives (1996)
Appointee must be confirmed by Senate	No change
Members are removable by impeachment	No change
Term of office is seven years	Term of office is four years (1996)
Legislature shall provide adequate funds for the proper carrying out of the functions and duties of the State Board of Higher Education.	No change
Board shall elect a competent person to serve as secretary.	No change
Board has "full authority over the institutions under its control with the right, among its other powers, to prescribe, limit, or modify the courses offered at the several institutions."	No change
Board has the "power to delegate to its employees details of the administration of the institutions under its control."	No change
Board has "full authority to organize or re-organize within constitutional and statutory limitations, the work of each institution under its control, and do each and everything necessary and proper for the efficient and economic administration" of the institutions.	No change
Board shall prescribe "standard systems of accounts and records."	No change
Board shall biennially and within six months of a regular legislative session provide "a report to the Governor, covering in detail the operations of the educational institutions under its control."	No change
Heads of the institutions are to submit budget requests for the biennial appropriations to the board • Board shall consider and revise the budgets "as in its judgment shall be for the best interests of the educational system of the State." • Board shall prepare and present a single unified budget to the legislature. • Appropriations for all of the institutions must be contained in one legislative measure.	No change
	Budgets and appropriation measures for the agricultural experiment stations and their substations and the extension division of the North Dakota State University of Agriculture and Applied Science may be separate from those of state educational institutions (1964).
Board shall have "control of the expenditure of the funds belonging to and allocated to such institutions and also those appropriated by the legislature, for the institutions of higher education in this State."	No change

Original Article 54 of the Constitution of North Dakota	Current Article VIII, Section 6, of the Constitution of North Dakota
Board shall appoint a state commissioner of higher education: • Three-year term • Removable by board for cause • Graduate of a reputable college or university • By training and experience must be familiar with the problems peculiar to higher education	No change

Types of Higher Education Governing and Coordinating Boards

Governing Boards

A consolidated higher education governing board manages and controls certain public institutions of higher education. Some governing boards are constitutionally mandated while others are established statutorily. The duties of governing boards can vary and may include preparing budgets, allocating resources, establishing personnel policies, managing assets, approving programs, and hiring chief executives for institutions.

The following table prepared by the Ohio Board of Regents staff lists potential strengths and weaknesses of consolidated governing boards:

Higher Education Governing Board Model	
Potential Strengths	**Potential Weaknesses**
Engaged in statewide strategic planning	Central planning can cause a slow response to workforce and business needs
Responsive to state priorities	Can evolve into large and inefficient bureaucracies
Guards against duplication	Can have political influence on micro issues at the institution level
Ensures program quality through program approval methods	Often lacks necessary data to assess institutional performance
Is able to address articulation and transfer issues	Tense relationships can develop between professional leaders and state government
	May become weighed down with internal concerns

Coordinating Boards

A higher education coordinating board is a single agency other than a governing board that has the responsibility for the statewide coordination of certain higher education policy areas. Coordinating boards generally do not manage institutions and are not responsible for hiring or setting the compensation of institution chief executives. Coordinating boards typically focus more on the needs of the state rather than the needs of the institutions. Some coordinating boards do have the authority to regulate certain areas, such as approving new programs at institutions.

The following table prepared by the Ohio Board of Regents staff lists potential strengths and weaknesses of higher education coordinating boards:

Higher Education Coordinating Board Model	
Potential Strengths	**Potential Weaknesses**
Quick to respond to market needs	State priorities can be hindered by local lobbying efforts
Engaged in statewide strategic planning	May be perceived as powerless if consensus is not achieved
Generally responsive to state priorities	Statewide initiatives can be hindered without the voluntary cooperation of all institutions
Private sector usually a direct partner	Difficult to reverse enacted policies or make policy changes
Sensitive to consumer needs	Institutional decisions at the local level may be in direct conflict with views at the state level
Builds consensus to make change, particularly with budgeting, program review, and articulation	

ATTACH:2